

WASHINGTON D.C. – Heeding a damning report from Special Inspector General for the Troubled Asset Relief Program (SIGTARP) Neil Barofsky, Representatives Jim Jordan (R-OH), Darrell Issa (R-CA), and Patrick T. McHenry (R-NC), announced the introduction of H.R. 430, a bill to repeal the Home Affordable Modification Program (HAMP). Issa, Chairman of the House Committee on Oversight and Government Reform, invited Barofsky to testify at the committee's first hearing on Tuesday. SIGTARP's report singled out HAMP from among several TARP-funded programs, saying the program's failure "has had the most devastating consequences" for "distressed homeowners on Main Street." HAMP is intended to offer homeowners facing foreclosure help "by reducing monthly payments to sustainable levels," according to the Treasury Department.

"HAMP is a colossal failure," said Jordan, sponsor of the bill and chair of the Oversight subcommittee on Regulatory Affairs, Stimulus Oversight and Government Spending. "In many cases, it has hurt the very people it promised to help. It's one more example of why government interference in the private sector doesn't work and that's why it should be repealed."

According to the Treasury Department, HAMP was intended to "help up to 3 to 4 million at-risk homeowners avoid foreclosure." Despite record levels of new foreclosures, 2.9 million in 2010 and a projected 3 million in 2011, as of December 21, 2010, there were only 522,000 homes still in the program undergoing permanent modification. More than 792,000 trial modifications have been cancelled, and 152,000 trial modifications have yet to be upgraded to permanent status. The Government Accountability Office (GAO), the Congressional Oversight Panel (COP), and SIGTARP have all pointed out the destructive impact that a failed trial modification has on a homeowner's financial well-being.

"Our review and reports by SIGTARP, GAO and COP, all found this program is failing and that

Treasury has gone out of its way to hide, rather than address problems,” said Issa, an original co-sponsor of the bill. “It’s unacceptable that Treasury continues this misguided effort that appears more focused on saving face than helping troubled homeowners.”

“The number of homeowners kicked out of HAMP – and arguably left worse off by participating in the program– exceeds the number actually helped by hundreds of thousands,” added McHenry, who chairs the Oversight subcommittee on TARP, Financial Services and Bailouts of Public and Private Programs and is an original co-sponsor of the bill. “Because the administration won’t listen to bipartisan calls to fix this program, the only option left is to end it.”

The bill will be referred to the Committee on Financial Services, on which Rep. McHenry serves. The text of the legislation can be viewed at http://oversight.house.gov/images/stories/Legislation/JORDAN_005_xml.pdf

###